ANNUAL REPORT 2010

July 1, 2009, to June 30, 2010

The Notary Foundation *of* British Columbia

Mission Statement

The Notary Foundation helps the people of British Columbia by providing funding for legal aid, legal research, and public legal education, while supporting the professional development of BC Notaries and Notarial candidates.

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Message from the Chair, Ken Sherk

Ken Sherk

The Notary Foundation has completed its first year under the new strategic plan developed in 2009.

In light of the dramatic reduction in the income advanced to the Foundation over that period, our motto—"Building Better Communities, One Grant at a Time"—has served us well. Because of the reserves we put aside in past years, the Governors have continued to make grants available to many of our applicants.

As we determine how to use our reserves, we have had to be much more prudent in granting funds. We have an eye to the future, in the event that our low interest rate environment continues.

Our revenue was slightly higher than our forecast, by some $300,000. The Legal Services Society was the principal beneficiary. Unfortunately, unless there is an increase in the Prime Rate in the coming year, our revised agreements with some of those institutions will mean a significant reduction in earned interest more in line with the original budget for 2009 – 2010.

The Foundation is surviving but, in this low-interest environment, the future of our Foundation and other Foundations across the country may be at stake. The situation calls for the financial institutions to step forward as thoughtful and concerned corporate citizens to revisit our rate agreements, to ensure the viability of our Notary Foundation and other Foundations.

One of the honours of being the Chair of the Notary Foundation is the opportunity to attend the annual meeting of all the Law Foundations in Canada.

The meeting brings together our BC Notary Foundation and all the Law Foundations from across the country to share information and cooperatively see where, as a group, we can contribute our respective Foundation funds to improve people's lives.

This year's meetings were held in Halifax. One of the events was a visit to the Halifax Refugee Clinic.

Started 15 years ago, the clinic attempts to serve the needs of those who have had to flee their countries and who have landed on our shores.

A number of refugee claimants spoke to us.

Permit me to share one of the stories with you.

A mother from Mexico told of being shaken-down by drug gangs in her home town. The family had to pay weekly money to the gangs so that the mother and her 14-year-old daughter would not be kidnapped. Although they were a middle-class family, they reached the point where they were unable to pay the money the gangs demanded.

Understanding the ramifications of not paying, the mother decided to escape the country with her daughter. When they arrived at the airport, they saw on the flight board that some planes were flying to a place called Canada. There was a flight to "Halifax" and one to "Edmonton." The mother had never been to Canada and had no idea where either city was located. The determining factor was that one plane was leaving an hour earlier than the other.

They arrived in Halifax with only the clothes on their backs. The Halifax Refugee Clinic took them in and was able to help them begin a new life in Canada. Now, 2 years later, the daughter is in Grade 9 and has a part-time job to help support her mother.

When the mother and daughter finished telling their story that afternoon, there was not a dry eye in our group. It really hit home to us just how vital our Foundations are in supporting exceptional services, such as the Halifax Refugee Clinic, that otherwise might not receive funding to help people.

This past year has seen a changeover in the Notary Foundation Board.

I would like to acknowledge Laurie Salvador, Scott Simpson, Wayne Strandlund, and Tiah Workman who have contributed significantly during their tenure with us. On behalf of myself and the Board, the very best to you! Thank you for your input and your expertise.

I would like to thank all the members of the Board of Governors who have given of their time, talent, and thoughtful consideration during this past year. Their outstanding efforts have facilitated my position as Chair of the Board.

I would also like to thank the capable staff of the Notary Foundation—Wayne Braid, Executive Officer; Barry Piersdorff, Accounting; Marilyn Taylor, Administration; and Rebecca Magallanes, Administration—who have made my job infinitely easier and more enjoyable.

Ken Sherk
Chair

Ken Sherk

Leta C. Best

Susan Davis

John Eastwood

Laurie Salvador

Scott Simpson

Del Virk

Tiah Workman

David Moore

Wayne Strandlund

The Board of Governors of the Notary Foundation of BC is comprised of

- members of the Board of Directors of The Society of Notaries Public of BC;
- a representative from the Attorney General's office in Victoria;
- Directors-at-Large, appointed by the Attorney General; and
- the Executive Officer.

The 8 members from The Society are elected by the Directors of The Society from among their ranks, for a 3-year period.

Governors

Ken Sherk: Chair
Leta C. Best
Susan Davis
John Eastwood
Laurie Salvador
Scott Simpson
Dalminder (Del) Virk
Tiah Workman
David Moore: Director-at-Large
Wayne Strandlund: Director-at-Large

Wayne Braid

G. W. (Wayne) Braid, Executive Officer of the Notary Foundation, is responsible for the administration of the office and staff, and the diverse investment funds of the Foundation.

The Board of Governors meets quarterly to consider applications for funding from various organizations and to set policy, review the Foundation's financial status, and provide direction for the administration of the Foundation.

The Governors of the Foundation have the responsibility of guiding the Foundation in its mandate to disperse the funds generated by interest on Notaries' Trust Accounts.

The funds are used for the following purposes.

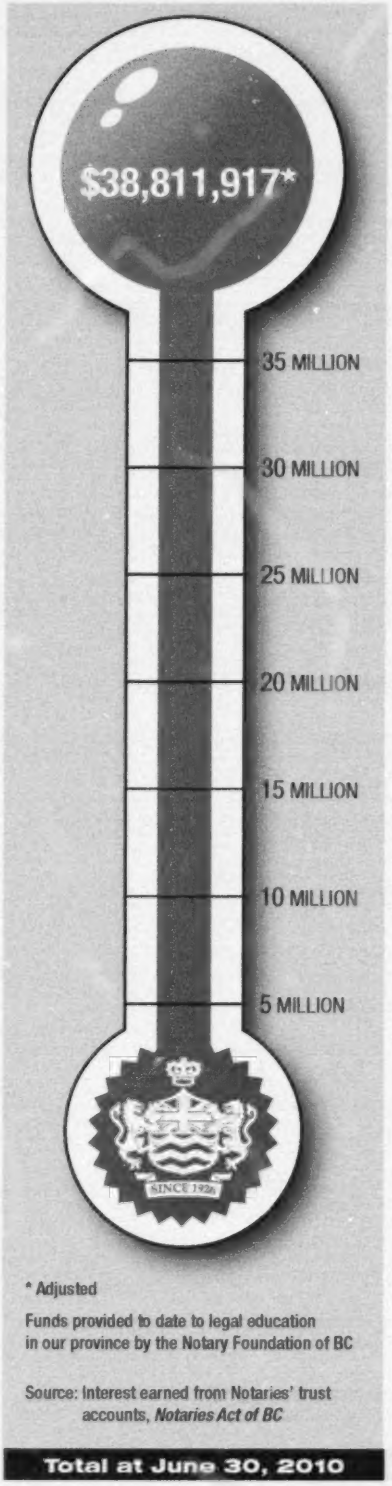
1. Legal education
2. Legal research
3. Legal aid
4. Education and continuing education for BC Notaries and applicants who have enrolled to become BC Notaries
5. Establishment, operation, and maintainance of law libraries in BC
6. Contributions to the Special Fund established under the *Notaries Act* of BC

Notary Foundation Grants

July 1, 2009, to June 30, 2010

To date, the Foundation has granted funding to the following organizations since our last AGM report of September 2009.

RECIPIENT	GRANT	PROJECT
YWCA of Vancouver	$25,000.00	Legal Education
The Association of Canadian Law Foundation	$2,500.00	Annual Contribution
West Coast Environmental Law	$4,000.00	Blog Development
The University of Northern BC	$50,000.00	Endowed Awards Partnership
Vancouver Community College	$300.00	Special Grant to help mitigate shortfall due to drop in distribution rate
Justice Education Society of BC	$30,000.00	Justice System Education Program
Ecojustice Canada	$20,000.00	National Public Interest Law Conference
PovNet Society	$19,375.00	Dealing with Debt



Xiao Li and Wayne Braid

SPOTLIGHT ON GOOD WORKS:

Vancouver Community College Legal Administrative Assistant Program

The Notary Foundation of BC scholarship is presented to an outstanding full-time student in the Legal Administrative Assistant program at Vancouver Community College.

Recent scholarship winner Xiao Li attended David Thompson Secondary school where she developed an interest in law. After completing the Legal Administrative Assistant program at Vancouver Community College, she plans to enroll in the Paralegal program. She is very grateful for the encouragement given to her by instructors, past and present, and to all the wonderful donors.

Says Xiao, "I'd like to thank everyone at the Notary Foundation of BC for their kindness. The scholarship means a lot to me. It gives me great joy and hope to have been chosen as the recipient of such a prestigious award.

"I'm quite impressed by the history of the Notary Foundation, especially that they've given so much back to society through their Grants. It makes a difference. This achievement has given me a more positive outlook in regard to the future. I hope to further my education so I may use it to help others, just as the Notary Foundation has helped me." ▲

VCC Foundation
Helping people gain the skills and knowledge to make a difference in the world for more than 40 years

Edith Voszler, Development Officer
Direct Line: 604-871-7147
www.vcc.ca

The Scrivener, *Fall 2009, Vol. 18, No. 3*

SPOTLIGHT ON GOOD WORKS:

Though the Heavens Fall: 100 Years of the BC Court of Appeal

Our province has three levels of court: Provincial Court, Supreme Court, and Court of Appeal.

The first sitting of the Court of appeal for British Columbia took place in 1910. Decisions made in the BC Court of Appeal over the last 100 years have reflected and helped define community values. From Aboriginal rights to Women's rights to gay rights, the BC Court of Appeal has found itself at the centre of the social movements of the century.

The Court has been asked to intervene in cases where families argued over property, spouses fought for custody of their children, and communities battled each other for access to shared resources. The Court hears cases that range from the routine—such as controlling noise on the street—to cases that will have a far-reaching impact on the lives of all British Columbians. For people who take their disputes to the highest court in the province, the Court's decision may be the most important decision of their life.

The ability to appeal the ruling of a lower court to a higher court is an inherent part of our justice system and the rule of law. Sometimes, people who go to trial believe mistakes were made during the hearing of their case. The losing party has the right to file an appeal in an effort to have the decision reversed or a new trial ordered. The role of the Appeal Court judges is to review such decisions and decide whether they are sound in law.

In the vast majority of cases that go to appeal in this province, the Court of Appeal is the final venue. Only about 2 percent of cases go on to the Supreme Court of Canada.

To mark the 100th anniversary event, the Justice Education Society embarked on a special project to preserve the Court's heritage in a format people can easily access and enjoy.

Though the Heavens Fall: 100 Years of the BC Court of Appeal video (with Teacher's Guide) introduces viewers to what the Court of Appeal does and how it has evolved. It will help educate British Columbians about the importance of the Court of Appeal and the significant role the Court has played during the past century in the development of the social and judicial history of our province.

The video will be a very useful teaching resource for BC schools...

The video highlights important changes, such as the introduction of Canada's *Charter of Rights and Freedoms* and the way the Court upholds values that are the cornerstones of a free and democratic society. It also illustrates how concepts such as the rule of law and judicial independence are critical to the health of our justice system.

Though the Heavens Fall: 100 Years of the BC Court of Appeal illuminates matters relating to discrimination, labour, gender, and aboriginal rights. It tells the story of selected significant cases and legal issues and traces the history of the Court of Appeal and its judges.

The video will be a very useful teaching resource for BC schools and will be shown to the public as part of numerous Court of Appeal anniversary celebrations in Victoria, Vancouver, Kamloops, and Prince George during 2010.

The Notary Foundation of British Columbia helped fund the project. ▲

The Justice Education Society
Voice: 604 660-9870
www.JusticeEducation.ca

The Scrivener, *Winter 2009, Vol. 18, No. 4*

SPOTLIGHT ON GOOD WORKS:

Legal Office Assistant Program at Camosun College

Each year, the BC Notaries and the Notary Foundation of BC present an award to student(s) in Camosun College's Legal Office Assistant Program to commend academic excellence combined with demonstrated leadership abilities.

At the Awards Celebration in November 2009 at the Interurban Campus of Camosun College, LeaAnne Webster, Chair of the Applied Business Technology Department at the Camosun School of Business, and Susan Davis, President of The Society of Notaries Public of BC, were pleased to present awards to Emily Prowse and Amy Bourbeau. ▲

From left: LeaAnne Webster, Emily Prowse, Susan Davis, and Amy Bourbeau

The Scrivener, *Summer 2010, Vol. 19, No. 2*

Important Note

In previous years, the Notary Foundation has given large sums of money to many Colleges throughout British Columbia. The Colleges have invested the funds and use the interest generated to create awards for students in specific courses of education.

The Colleges will present awards in perpetuity through the capital grants that the Notary Foundation of BC has provided.

SPOTLIGHT ON GOOD WORKS:
Dreams Come True

Tara Syracuse

Fourth-year creative writing major Tara Saracuse was the guest speaker at this year's President's Circle Dinner at the University of Victoria. The newly minted graduate spoke at the May 18 event held in honour of UVic's major gift donors. The Notary Foundation of BC is one of those donors.

Dr. Turpin, Dr. Kuehne, Mr. Farmer, Mr. Protti, honoured guests, faculty, and fellow students:

Before you stands a storyteller, by trade and nature. Today, I'm going to tell you a story about one student, but really it's the story of some 20,000 students who attend the University of Victoria.

It's the story of what brought us here, what keeps us here, and what we take away with us when we leave. It's sort of a coming-of-age story and I hope you'll hear a little of your own story in it, too.

Before you stands not just an individual student with her own story, but a representative. I speak for and on behalf of all the students here at UVic.

I speak to you, our benefactors.

I came to UVic with the same skills and preparations as every other first-year student. I came with a high school education. I came with energy. I knew how to write a five-paragraph essay (which would come in handy later). I could do my own laundry and make grilled cheese sandwiches and I had my student number memorized and my books purchased weeks before my first day here.

...there was one thing we all had in common in first year. We all came here with dreams.

Who's to say that maybe I had a little more or a little less than the other students who entered the University of Victoria with me in 2006.

We may have been different ages and had different life experiences. Maybe some were scared; maybe some were fearless. Maybe some knew what to expect from this "university" thing we'd heard about all our lives, and maybe some were in over their heads but didn't know it yet. But there was one thing we all had in common in first year. We all came here with dreams.

Some of us dreamed of being scientists: Marine biologists, physicists, geologists, and chemists. Some had dreams that included studying the classics or comparing the many hundreds of cultures that share the planet.

Perhaps 100 students dreamed they'd be lawyers one day. Some dreamed of acting or playing the piano at The Met or winning the Nobel Peace Prize. We came here with dreams of political science, visual arts, mathematics, astronomy, women's studies, and engineering.

Some of us wanted to be fluent in a new language; others wanted to study business and be the CEO of the next Fortune 500 [company]. We all came here with dreams.

I entered the Department of Writing with a dream that one day, I would be a famous writer. Now being a writer may not seem like a most vital or significant career choice when compared to some of the other options I just listed, but writers have an important role in our society.

Writers inform others. We teach; we voice what needs to be said when others are too afraid to say it; we draw comparisons, change perspectives, and challenge assumptions; we offer escape to other worlds and we offer clarity for the one in which we live; we delight, we enrage, we stir-the-pot, and no matter how many people read our words—1 or 1 million—we always leave something behind.

Instead of asking the typical "What do you want to be when you grow up?" an astute adult once asked, "What are you going to give to the world?" I replied, after some thought, "I don't know, but it will be beautiful."

I learned in my time here that success is bigger than the individual. It's bigger than a letter grade or check mark. Success is marked by whom you touch when you have the chance. Success starts with a goal—or a dream—and with an action that moves you in that direction. UVic was my first action. Success continues with a reaction: Your own reaction to the first step or something else reacting to you.

In 2009, I wrote a book and I went to school full-time. On February 10, I launched my first publication, *Island Kids,* a nonfiction book for kids about the history of Vancouver Island—a collection of 22 stories about amazing children who live or once lived on these islands.

The stories inspire. They're meant to demonstrate to the kids who read the book that even though you're small, it doesn't mean you can't make an impact. It doesn't mean you can't effect your own destiny or that of another.

I could not have completed this book without the support of the Department of Writing, the Department of History, and the resources such as the library, journal databases, and the archives the University offers. That was all available to me as a student here.

I had the resources and I had the support of multiple professors and departments. If that isn't a dream-come-true university story, I don't know what is.

I graduate this year knowing this: What I give to the world will be beautiful. It will be made up of words. And it will touch people, change their lives, challenge their limitations, and push them to give back to the world in their own way. Just like my time at UVic did for me.

So, what does all this have to do with you? I wouldn't be here without you. I wondered, as I was writing this speech, how many other students wouldn't be here without you. I counted my friends, the ones with whom I will be convocating in a month to this day. I know that nearly half of them benefitted from an award at some point in their university career.

I'm sure you all had different reasons when you decided to support the students at UVic. I can imagine what all those reasons might be but, from my perspective, one in particular matters to me and to the thousands of students you have supported—making dreams come true.

And what dreams you have supported. In supporting our dreams, you have given us the tools to pay it forward.

Your gift to us will never be forgotten. Our gift to you is a ripple. We, the students of UVic, go forth with a set of skills and tools much greater than what we came with, and we go forth to use those tools to build, to give, to create. Your gift is infinitely greater than you know. You have touched us, and we will touch others, and others will continue the pattern. That is the ultimate success for everyone.

So, it is my great honour to speak to you tonight on behalf of the student body of the University of Victoria. It is my great honour to share two words with you that may sound simple but that come from a place and a voice that doesn't know how to express what your support has truly meant.

These words are meant for you, for seeing outside yourself and helping others; for having faith that your donations would be appreciated; for recognizing a need and filling it; for seeing us—the students—as a conduit for more positive change, more success, and more dreams come true; for giving something to the world that is beautiful.

So, without further adieu, on behalf of the student body of the University of Victoria, it is my great honour to say to you, *thank you.* ▲

From* The Scrivener, *Fall 2010, Vol. 19, No. 3

On the way to Convocation

Look closely for some of our smiling grads.

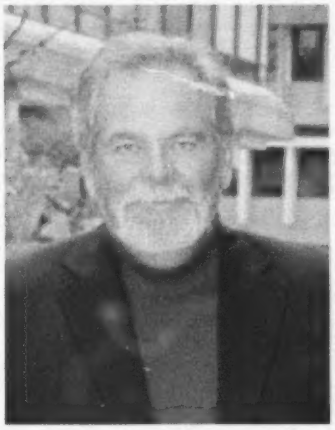
Wayne Braid, Executive Director of The Society; Dr. Gordon; Dr. Neil Boyd; Graeme Bowbrick, QC; Society President Susan Davis

Our Grads' Convocation at Simon Fraser University

A crowning moment for most university graduates is the stroll across the convocation stage to shake hands with the Chancellor and collect their degree parchments, part of an important achievement that launches a career and creates new opportunities.

Convocation is invariably a grand and colourful occasion rendered all the grander when the degree program is breaking new ground—when it is truly a "first," not only with respect to content but also the mode of delivery.

Online and blended-learning degree programs at the professional graduate level, like the MA in Applied Legal Studies, are still relatively new but are clearly the way of the future in a number of areas. The faculty and staff involved with the new MAALS program have been impressed by the abilities, and the resolve, of the first wave of students and look forward to many years of celebration with future graduating cohorts of BC Notaries. ▲



Dr. Rob Gordon is the Director of the School of Criminology at Simon Fraser University.

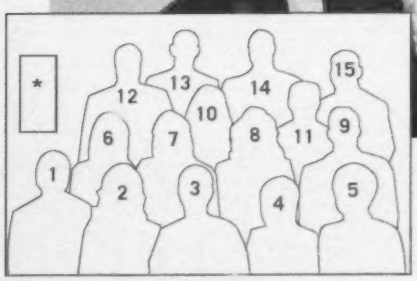
Congratulations, BC Notary Class of 2010!

Mr. Justice Cole officiated when our new BC Notaries received their commissions on May 6 at the Vancouver Court House. The new Notaries represented a vast range of nationalities and backgrounds. The Installation Luncheon followed, at the Terminal City Club.

Master of Ceremonies was The Society's Secretary and Executive Director **Wayne Braid**. Many members of The Society's Board of Directors attended, including President **Susan Davis**; 1st Vice President **John Eastwood**; Immediate Past President **Ken Sherk**; **Trish Fedewich**; **Akash Sablok**; **Tammy Morin**; **Joan Letendre**; **Leta Best**; and **Michael Kravetz**.

Staff members in attendance included **Rebecca Magallanes**, **Marilyn Taylor**, **Amber Rooke**, **Maria Olaguera**, Staff Notary **Marny Morin**, and **Denise Hinton** of ProSuite Software.

Also enjoying the event were **Dr. Rob Gordon** of SFU; Legal Counsel **Todd McKendrick** and **Quang Duong** from Macaulay McColl; **Erika Riedel**, attending on behalf of **Bernard Hoeter**, longtime Secretary of The Society; former Society Secretary **Stan Nicol**; **Don de Jersey** of BDO Dunwoody; LTSA's **Liza Aboud**; UBC Professor Emeritus and former Notary Course Examiner **Bob Reid**; instructors **Tony Wilson**, **Peter Ramsay**, QC, and Notary **Laurie Salvador**; and REIBC President **Peter Remillong** and Executive Director **Brenda Southam**.



*Inset: Shawna Farmer

1. Sandra Hamilton-Mah
2. Carmen Wheatley
3. Marnie Premont
4. Nilpar Honarvar
5. Irina Bartnik
6. Michelle Song
7. Shelly Spicer
8. Susan Bashiri
9. Hassan El Masri
10. Amarjit Kler
11. Rajeev Kapur
12. Patrick Kelly
13. Rajinder Soni
14. Martyn Westerman
15. Igor Chebunin

Award Winners 2010

Simon Fraser University Award for the Master of Arts in Applied Legal Studies

For the highest mark on the Conveyance Practice Examination

Presenter: Dr. Rob Gordon
Winner: Marnie Premont

Stanley J. Nicol Award

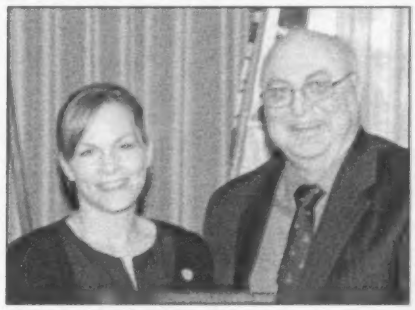
For the highest mark on the Notarial Procedures Examination

Presenter: Stan Nicol
Winner: Marnie Premont

BDO Dunwoody Award

For the most consistent performance in all aspects of the Notary Preparatory Course and Examinations

Presenter: Don de Jersey
Winner: Patrick Kelly



Robert Reid Award

For the highest mark on the Property Examination

Presenter: Bob Reid
Winner: Marnie Premont

Bernard W. Hoeter Award

For the highest marks on the Notarial Statutory Examinations

Presenter: Erika Riedel for Dr. Hoeter
Winner: Marnie Premont

Notary Foundation of British Columbia
Financial Statements
For the year ended June 30, 2010

The Notary Foundation's Financial Statement for the period ending June 30, 2010, indicates a significant reduction in income to the Foundation.

During this past fiscal year, both interest rates and trust account balances have declined from the records set in 2007.

Notary Foundation of British Columbia
Financial Statements
For the year ended June 30, 2010

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Auditors' Report

To the Members of the
Notary Foundation of British Columbia

We have audited the Statements of Financial Position of the Notary Foundation of British Columbia as at June 30, 2010 and the Statement of Operations and Changes in Net Assets and Cash Flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Notary Foundation of British Columbia as at June 30, 2010, the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants

Vancouver, British Columbia
August 13, 2010

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Notary Foundation of British Columbia
Statement of Financial Position

June 30	General Fund	Education and Administrative Fund	Grants Fund	2010	2009
Current Assets					
Cash (Note 2)	$ 278,379	$ -	$ -	$ 278,379	$ 308,633
Accrued interest receivable	85,964	-	-	85,964	104,788
Short term investments (Note 3)	379,430	-	-	379,430	612,596
	743,773	-	-	743,773	1,026,017
Investments (Note 4)	1,848,188	-	-	1,848,188	2,588,760
	$ 2,591,961	$ -	$ -	$ 2,591,961	$ 3,614,777
Current Liabilities					
Accounts payable and accrued liabilities (Note 5)	$ 513,474	$ 132,432	$ 25,000	$ 670,906	$ 928,181
Due to the Society of Notaries Public of British Columbia (Note 7)	-	-	-	-	27,267
Interfund balances	2,078,487	(1,317,429)	(761,058)	-	-
	2,591,961	(1,184,997)	(736,058)	670,906	955,448
Net Assets	-	1,184,997	736,058	1,921,055	2,659,329
	$ 2,591,961	$ -	$ -	$ 2,591,961	$ 3,614,777

Approved by The Board of Governors:

_____ Governor

_____ Governor

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements.

Notary Foundation of British Columbia
Statement of Operations and Changes in Net Assets

For the year ended June 30	General Fund	Education and Administrative Fund	Grants Fund	2010	2009
Revenue (Note 6)					
Interest earned on members' trust accounts	$ 767,831	$ -	$ -	$ 767,831	$ 1,436,142
Investment income (loss)	265,967	-	-	265,967	(13,733)
	1,033,798	-	-	1,033,798	1,422,409
Expenses					
Education and Administrative Fund (Note 7)	-	326,756	-	326,756	462,493
Grants Fund	-	-	158,675	158,675	361,100
Legal Services Society of British Columbia	513,474	-	-	513,474	726,774
	513,474	326,756	158,675	998,905	1,550,367
Excess of revenue over expenses (expenses over revenue)	520,324	(326,756)	(158,675)	34,893	(127,958)
Net assets, beginning of the year	-	1,857,769	801,560	2,659,329	2,787,287
	520,324	1,531,013	642,885	2,694,222	2,659,329
Transfer (to) from Education and Administrative Fund	(427,151)	427,151	-	-	-
Transfer (to) from Grants Fund	(93,173)	-	93,173	-	-
Transfer (to) from the Society of Notaries Public of British Columbia (Note 7)	-	(773,167)	-	(773,167)	-
Net assets, end of year	$ -	$ 1,184,997	$ 736,058	$ 1,921,055	$ 2,659,329

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements.

Notary Foundation of British Columbia
Statement of Cash Flows

For the year ended 2010	2010	2009
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses (expenses over revenue)	$ 34,893	$ (127,958)
Item not involving cash		
Unrealized gains on investments	(100,208)	(100,958)
	(65,315)	(228,916)
Changes in non-cash working capital balances		
Accrued interest receivable	18,824	217,576
Accounts payable and accrued liabilities	(257,275)	(2,498,151)
	(303,766)	(2,509,491)
Investing activities		
Proceeds of investments, net	1,073,946	1,199,634
Transfer to the Society of Notaries Public of British Columbia	(773,167)	-
Repayment of advance to related entities	(27,267)	-
	273,512	1,199,634
Decrease in cash during the year	(30,254)	(1,309,857)
Cash, beginning of year	308,633	1,618,490
Cash, end of year	$ 278,379	$ 308,633

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

5

Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification. The classification depends on the purpose for which the financial instuments were acquired and their characteristics. Financial assets classified as held-for-trading are recorded at fair value. Except in very limited circumstances, the classification is not changed subsequent to initial recognition. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by using valuation techniques which refer observable market data. Transaction costs related to instruments classifies as held-for-trading are expensed as incurred. All transactions related to financial instruments are recorded on a settlement date basis.

The Foundation classified its cash, short-term investments and investments as held-for-trading. As a result, they are carried on the Statement of Financial Position at fair value with changes in fair value recognized in the Statement of Operations.

Financial instruments other than cash, short-term investments and investments are recorded at cost. The fair value of other financial instruments are considered to approximate their carrying value due to their short term nature.

Revenue Recognition

The interest earned on members' trust accounts is calculated net of bank changes and remitted to the Foundation based upon agreements made with individual financial institutions. The trust accounts are not the property of nor are they administered by the Foundation. The interest earned on members' trust accounts held in financial institutions is recognized by the Foundation on an accrual basis when collection is reasonably estimated and assured.

Investment income includes gains and losses on sale of investments, interest and dividend income and gains or losses resulting from changes in the fair market value of investments. Interest and dividend income is recognized when earned and is allocated on a predetermined basis amongst the funds.

Grants

Grants are recorded in the Foundation's accounts in the year of authorization.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates made by management include, but are not limited to, completeness of accrued interest receivables and accounts payable and accrued liabilities.

1. Organization and Income Tax Status

The Notary Foundation of British Columbia (the "Foundation") was established in 1986 under Section 50 of the Notaries Act. The Foundation is a not-for-profit organization, which receives funding from interest earned on the pooled trust funds of the notaries.

The Foundation is to establish and maintain funds to be used for the purpose of:

- legal education, legal research and legal aid,
- salary, administration, education and continuing education for notaries and applicants for enrolment as notaries,
- establishing, operating and maintaining law libraries in the Province of British Columbia

These financial statements have been prepared on the restricted fund method of accounting for not-for-profit organizations. The Foundation is a tax exempt body under Section 149 of the Income Tax Act.

2. Cash

The Foundation's cash is held in various Canadian chartered banks. The accounts earn interest at prevailing market rates.

3. Short-term Investments

Investments are comprised of:

	2010 Market Value	2009 Market Value
Foreign equities	$ 57,548	$ 102,200
Canadian equities	279,704	296,843
Cash	42,178	213,553
	$ 379,430	$ 612,596

The Foundation's investments are held through one Canadian investment management company.

Equities are classified as short term investments as they are revolving equities.

4. Investments

	2010 Market Value	2009 Market Value
Corporate bonds	$ 833,687	$ 1,108,249
Government bonds	1,014,501	1,480,511
	$ 1,848,188	$ 2,588,760

The corporate bonds bear interest from 5.00% to 5.67% (2009 - 3.55% to 6.28%) per annum and mature between September 26, 2012 and May 7, 2015. The government bonds bear interest from 2.00% to 5.50% (2009 - 3.00% to 5.50%) per annum and mature between December 1, 2014 and December 1, 2036.

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities pertain to the allocation of revenue from the General Fund less payments and are comprised of the following:

	2010	2009
Legal Services Society of British Columbia		
Balance, beginning of period	$ 726,774	$ 3,158,550
Earned revenue from General Fund	513,475	726,774
Payments to Legal Services Society of British Columbia	(726,775)	(3,158,550)
	513,474	726,774
Education, administrative and grant payables	157,432	201,407
Balance, end of the year	$ 670,906	$ 928,181

Included in the current education, administrative and grant payables is $132,432 (2009 - $151,408) due to the Society of Notaries Public of British Columbia (Note 7).

6. Allocation of Revenue

Realized revenue earned by the Foundation is to be disbursed as follows:

a) 55% to be paid to the Legal Services Society of British Columbia.

b) 10% to be used for legal education, legal research and the establishing, operating and maintaining of law libraries in the Province of British Columbia (the "Grants Fund"). Grant Funds are recognized as payable once approved by the Board of Governors.

c) 35% to be used for salary, administrative, education and continuing education of notaries and notarial applicants (the "Education and Administrative Fund"). The Foundation provides an annual grant to the Society of Notaries Public of British Columbia (the "Society") to fund Education and Continuing Education initiatives which are carried out by the Society on behalf of the Foundation in order for the Foundation to meets its obligation pursuant to its articles of incorporation under the Notaries Act. The Foundation may maintain a reserve fund composed of up to three years of contributions to the Education and Administrative Fund (the "Foundation Reserve Fund").

7. Related Party Transactions

The amount of $Nil (2009 - $27,267) due to the Society of Notaries Public of British Columbia (the "Society"), an organization with common directors and governors, is unsecured, non-interest bearing and has no specific terms of repayment.

During the year, the Foundation had paid grants in the amount of $326,756 (2009 - $462,493) to the Society which was used by the Society to fund Education and Continuing Education initiatives as described in Note 6(c) and in accordance with the Governance Agreement and the Notaries Act of British Columbia. The transactions are in the normal course of operations and are measured at their carrying amount. An additional $773,167 (2009 - $Nil) was transferred from the Foundation Reserve Fund to the Society.

8. Financial Instruments Risks

The Foundation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at June 30, 2010.

(a) Credit and Market Risk

Credit risk is the risk that The Foundation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist primarily of cash, short-term investments, investments and accrued interest receivable. Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. The Foundation limits its exposure to credit risk by placing its cash, short-term investments and investments with high credit quality governments, financial institutions, corporations and Canadian and foreign equities in accordance with investment policies adopted by the Foundation. Risk and volatility of investment returns are mitigated through the diversification of investments in different geographic regions and different investment vehicles.

(b) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation has limited exposure to foreign exchange risk as 92% of all financial instruments are denominated in Canadian dollars.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rates and terms of cash, short-term investments, and investments are as disclosed in Note 4.

(d) Liquidity Risk

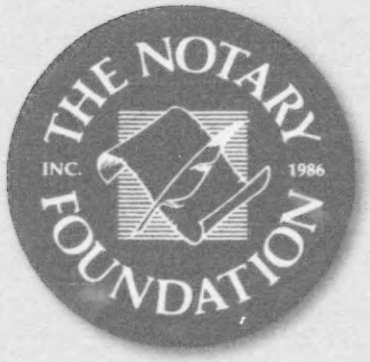
Liquidity risk is the risk that The Foundation will not be able to meet its obligations as they fall due. The Foundation maintains adequate levels of working capital to ensure all its obligations can be met when they fall due. Investments are also held in securities that can be liquidated within a few days notice.

(e) Capital Risk

The Foundation considers its capital to be its net assets. The Foundation's objectives when managing its capital are to safeguard its ability to continue as a going concern so it can continue to provide education to its members at varying levels as well as supporting the Legal Services Society while maintaining its tax exempt status under the Canadian Income Tax Act. Annual budgets are developed and monitored to ensure the organization's capital is maintained at an appropriate level.

9. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.



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